

Washington State Auditor's Office
Accountability Audit Report

Cross Valley Water District
Snohomish County

Audit Period
January 1, 2002 through December 31, 2003

Report No. 67596

Issue Date
December 3, 2004



Washington
State Auditor
Brian Sonntag

Audit Summary

Cross Valley Water District Snohomish County January 1, 2002 through December 31, 2003

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Cross Valley Water District for the period January 1, 2002, through December 31, 2003.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by District's management.

RESULTS

In the areas reviewed, the District complied with state laws and regulations and its own policies.

RELATED REPORTS

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements.

CLOSING REMARKS

We thank District officials and personnel for their assistance and cooperation during the audit.

Table of Contents

Cross Valley Water District
Snohomish County
January 1, 2002 through December 31, 2003

Description of the District 1

Audit Areas Examined..... 2

Description of the District

Cross Valley Water District Snohomish County January 1, 2002 through December 31, 2003

ABOUT THE DISTRICT

The Cross Valley Water District was incorporated in 1990 and was originally a water association. A three-member Board of Commissioners, elected to six-year terms, governs the District. The District serves approximately 5,550 customers, the majority of which receive water service. A small portion of the District's customers receive sewer service. The majority of the District's customers are served by the District's wells; the remaining customers are served with water that is purchased from the City of Everett. The District has 13 staff members, including three commissioners. Operating revenues for 2003 and 2002 totaled \$2,472,237 and \$2,250,752, respectively.

AUDIT HISTORY

We audit the District every two years. We have reported no audit findings in any previous audit reports. Our audit recommendations have been positively acknowledged by the District.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Dale Deierling
Virginia (Ginger) Desy
Warren (Skip) E. Schott

APPOINTED OFFICIALS

General Manager
Treasurer/Financial Accounting Manager
Attorney

Gary Hajek
Robert Wagner
Patricia Murray

ADDRESS

District

8802 180th Street Southeast
Snohomish, WA 98296-4804
(360) 686-6766
(360) 668-9634 (fax)

Audit Areas Examined

Cross Valley Water District Snohomish County January 1, 2002 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the Cross Valley Water District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the District's accountability in the following areas:

- Cash receipting
- Payroll
- Assessments
- Cash disbursements
- Rental income

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Ethics/conflict of interest laws
- Open Public Meetings Act
- Insurance coverage
- Competitive bid law compliance
- Public works contracts

FINANCIAL AREAS

Our opinion on the District's financial statements is provided in a separate report. That report includes the District's financial statements and other required financial information. We examined the financial activity and balances of the District including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements